

Testimony Submitted by Marcia Stein, MS in support of HB-5285: AN ACT ADJUSTING COMMUNITY HEALTH CENTER RATES FOR CAPITAL INVESTMENTS.

Senator Musto, Representative Tercyak, members of the Human Services Committee: On behalf of the Community Health Center, Inc., I am submitting my strong support for HB-5285, a bill which would help health centers fund the capital requirements—new buildings, renovations, and additions—essential for health centers to meet the current and growing needs for primary care in Connecticut.

CHC, Inc. is a statewide Federally Qualified Health Center (FQHC), with primary care centers in 13 cities and care delivered in over 200 locations. Our forty years of growth have taken us from a single storefront to our current ability to care for over 130,000 patients, the vast majority of whom are uninsured or covered under the Medicaid or Medicare programs, in facilities that reflect our model of care and our respect for our patients.

Services provided by community health centers are cost-effective because of the focus on prevention and disease management. The proposed change to Medicaid rate setting is critical to maintaining the community health center service infrastructure in Connecticut.

Over the past five years, the Stimulus Bill and the Affordable Care Act have supplemented state bond funds and internal financing and enabled important renovations and expansions across Connecticut. As the special Federal funding mechanisms come to an end, Connecticut needs to create a rationale, sustainable mechanism for funding capital investments in health centers and fortunately, such a model is at hand; the "Fair Rent Value System" which allows nursing homes to be compensated for their capital costs through their Medicaid rate structure. This system is also being adopted in other states as a funding option for community health centers, including the neighboring state of New York.

Raised Bill No. 5285 allows the Department of Social Services (DSS) to adjust community health center payment rates to account for additional capital costs that are incurred to develop new sites or replace existing locations and equipment. It would replicate the Fair Rent Value System, adopted for community health centers. This would facilitate community health centers in planning strategically for expansion and facility upgrades. As part of the Medicaid prospective rate paid to the FQHCs, a minimum of 50% of the cost can be captured through the federal match for Medicaid, thus reducing the cost to the State of Connecticut.

As the residents of our state age, as chronic diseases become more common, and as more individuals join the ranks of the insured through the health insurance exchange and expanded Medicaid, it is critical that we have a strong primary care infrastructure to meet the demands for care.

HB-5285 provides a new vehicle to fund community health centers as part of a larger effort to make our health care delivery system more efficient.

Thank you for your consideration of this legislation and I would be happy to answer any questions you may have.